REMARKS

Claims 1-28 are now pending in the application. The Examiner is respectfully requested to reconsider and withdraw the rejections in view of the remarks contained herein.

REJECTION UNDER 35 U.S.C. § 102

Claims 1-4, 7-8, 10-12, 21-23, and 28-28 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Vicknair (U.S. Pub. No. 2003/0208421). This rejection is respectfully traversed.

As best understood by Applicant, Vicknair discloses a system and method for performing Electronic Check Presentment (ECP) processing. (Abstract) The systems and methods of Vicknair are designed to accommodate the situation when a check is presented for deposit at a first bank and the check must be drawn against a second bank. (Paragraphs [0003] and [0004]) The first bank (10) must communicate the presentment of the check to the second bank (20) in order to receive the funds for deposit. (Paragraph [0004]) The communication involves sending an ECP and a bundle of the physical checks. The ECP contains a summary of the checks and a dollar amount of the checks that the first bank expects from the second bank. (Paragraph [0004]) The second bank (20) is then able to capture the information from the ECP in a database, capture digital images of the physical checks, and check the information from the ECP against the physical items. (Paragraphs [0029] through [0047]) In this case, the first bank is the point of presentment. The second bank, however, is not.

Claim 1 recites, "an image-enabled, financial transaction processing system for use at a point of presentment." Claim 1 further recites that the system comprises, "an input receptive of an image of a physical item at least partially embodying a financial transaction, wherein the image contains a visual record of an amount of monetary value; an image recognition module adapted to extract the amount of monetary value recorded in the image and recognize the amount using character recognition; a validation module adapted to determine whether the transaction is valid based on a validation characteristic of an item; a balancing module adapted to determine whether the transaction is balanced based on the amount of monetary value; and an output adapted to transmit information indicating whether the transaction is at least one of balanced and valid."

Applicant respectfully submits that Vicknair fails to disclose that at the first bank (the point of presentment) includes a processing system that comprises an input receptive of an image, an image recognition module, a validation module, a balancing module, and an output module as recited in claim 1. At best, the first bank (the point of presentment) scans and sorts checks using a Magnetic Ink Character Recognition reader. However, a digital image is not processed.

If, however, the second bank is considered to be the point of presentment, Vicknair still fails to disclose that the second bank includes a processing system that comprises an image recognition module, a validation module, a balancing module, and an output as recited in claim 1. At best, Vicknair discloses that the second bank captures a digital image by a high-speed digital imaging system and that the digital image is checked against the physical items by an individual. (Paragraphs [0031],

[0035], and [0036]) The digital images are compared against the physical items to verify their presence. (Paragraph [0036])

In the present application, each module as recited in claim 1 is a function of the transaction processor, as shown in Figure 2. The functions are automated by the transaction processor and not performed by an individual thus, improving the efficiency of transaction processing. Vicknair fails to disclose a module that performs image recognition by extracting the amount of monetary value recorded in the digital image and recognizing the amount using character recognition. Vicknair fails to disclose a module that determines whether the transaction is valid based on a validation characteristic of an item. Moreover, Vicknair fails to disclose a module that balances the transaction based on the amount of monetary value.

Claim 12 recites, "an image-enabled item processing method for use in performing a financial transaction at a point of presentment." Claim 12 further recites that the method comprises, "initiating communication with a party to a transaction at a point of presentment of physical items embodying the transaction, wherein at least one physical item has an amount of monetary value visually recorded thereon; reading item images into computer memory by generating an image record of each of the physical items and storing the image records in computer memory; validating the transaction by comparing a validation characteristic of at least one item to a validation characteristic stored in computer memory; recognizing at least one amount of monetary value recorded on the items by extracting amounts from the item images and recognizing extracted amounts; balancing the transaction based on at least one recognized amount before terminating communication with the customer at the point of presentment; and

posting the transaction, including transmitting the item images to a central location having a relational database storing records of transactions."

As discussed above, Applicant respectfully submits that Vicknair fails to disclose a method performed at the point of presentment that includes validating the transaction by comparing a validation characteristic of at least one item to a validation characteristic stored in computer memory. Applicant respectfully submits that Vicknair fails to disclose a method performed at the point of presentment that includes recognizing at least one amount of monetary value recorded on the items by extracting amounts from the item images and recognizing extracted amounts. Moreover, Applicant respectfully submits that Vicknair fails to disclose a method performed at the point of presentment that includes balancing the transaction based on at least one recognized amount before terminating communication with the customer at the point of presentment; and posting the transaction, including transmitting the item images to a central location having a relational database storing records of transactions.

For anticipation to be present under 35 U.S.C §102(b), there must be no difference between the claimed invention and the reference disclosure as viewed by one skilled in the field of the invention. *Scripps Clinic & Res. Found. V. Genentech, Inc.*, 18 USPQ.2d 1001 (Fed. Cir. 1991). All of the limitations of the claim must be inherent or expressly disclosed and must be arranged as in the claim. *Constant v. Advanced Micro-Devices, Inc.*, 7 USPQ.2d 1057 (Fed. Cir. 1988). Moraal et al. fail to disclose each and every element of Claim 19. For at least these reasons, Applicant respectfully requests reconsideration and withdrawal of the rejections of claims 1 and 12.

Claims 2-4, 7-8, 10-11, 21-23, and 28-28 depend directly or indirectly from one of independent claims 1 and 12 and for at least these reasons distinguish over the prior art. Applicant respectfully requests reconsideration and withdrawal of the rejection.

REJECTION UNDER 35 U.S.C. § 103

Claim 6 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Vicknair in view of Josephson (U.S. Pub. No. 2003/0213841). Claims 7, 9, and 13-20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Vicknair in view of Franklin (U.S. Pat. No. 5,987,437). Claims 5, 11, 21, and 24 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Vicknair in view of Bozeman (U.S. Pub. No. 2004/0236688). These rejections are respectfully traversed.

Applicant respectfully refers the Examiner to the arguments above with regard to the Vicknair reference as discussed with regard to claims 1 and 12. Josephson, Franklin, and Bozeman all fail to show, teach, or suggest the deficiencies of Vicknair as described above. Claims 5-7, 9, 11, 13-20, 21, and 24 depend directly or indirectly from one of independent claims 1 and 12 and for at least these reasons distinguish over the prior art. Applicant respectfully requests reconsideration and withdrawal of the rejections.

CONCLUSION

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests that the Examiner reconsider and withdraw all presently outstanding rejections. It is believed that a full and complete response has been made to the outstanding Office Action and the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested. If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 641-1600.

Respectfully submitted,

Dated: _October 5, 2007_

By: ~~David A. McClaughry, Reg. No. 37,885~~

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